



October 7, 2014

California Department of Water Resources
Division of Integrated Regional Water Management
Financial Assistance Branch
P.O. Box 942836
Sacramento, CA 94236
Attn: Zaffar Eusuff

Submitted Electronically: Zaffar Eusuff (Muzaffar.Eusuff@water.ca.gov)

Subject: Comments on Funding Recommendations for 2014 Drought Grant Solicitation

Dear Mr. Eusuff,

The San Diego Regional Water Management Group (RWMG) – comprised of the San Diego County Water Authority, City of San Diego, and County of San Diego – wishes to sincerely thank the Department of Water Resources (DWR) for its recent recommendation to fully fund our *San Diego IRWM 2014 Drought Solicitation Implementation Grant Proposal*. This funding will allow the San Diego region to implement a suite of water management projects and programs that, together, will provide drought relief by increasing the amount of local water supplies available and decreasing water use. The proposal included the suite of projects best suited to meeting current and projected future drought impacts to the San Diego IRWM Region (Region).

We have reviewed the evaluation scoring for our proposal as prepared by DWR and have a few comments and clarifications about the scoring, as well as recommendations for future process enhancements, summarized below.

Clarifications/Comments on Scoring

- The *San Diego IRWM 2014 Drought Solicitation Implementation Grant Proposal* included detailed information about water conservation measures, such as the fact that the City of San Diego has mandatory water use restrictions in place at all times, and that the San Diego County Water Authority was planning to notify its member agencies of a Level 2 Drought Alert, which would implement mandatory water use restrictions intended to result in up to 20% water savings. The San Diego County Water Authority adopted a Level 2 Drought Alert on July 24, 2014, and the majority of the remaining local project sponsors (Sweetwater Authority, Fallbrook Public Utilities District, Carlsbad Municipal Water District, and Rincon

del Diablo Municipal Water District) have adopted mandatory level 2 drought restrictions since that time. As such, we respectfully ask that DWR consider revising our “Proposal-Level” score to 16 instead of 11.

- Project-level scoring criteria appear to have been inconsistently or erroneously applied to the projects in many categories. We have reviewed the content of our Proposal and projects in comparison to other applications that were submitted, and have an analysis that demonstrates ways in which our project-level scores should increase to an average of at least 15 points rather than 10. We are prepared to discuss our analysis and additional follow-up questions with DWR.

Suggestions for Future Process Enhancements

- With regard to the overall format of the 2014 IRWM Drought Grant Solicitation Application Evaluation Summary, we greatly appreciate that DWR has provided project-specific scoring information; however, in future rounds we request that DWR also provide rationale for the scores provided. Specifically, information about how DWR intends to apply the scoring criteria (a scoring rubric) should be included within the Proposal Solicitation Packages to add transparency to the DWR scoring process, help us to understand how DWR applies the scoring criteria, and assist regions in better aligning their grant applications with DWR’s needs in the future.
- We recommend that DWR consider implementing a step in the grant review process whereby applicants have an opportunity to meet with DWR to discuss any questions or issues with their proposals. Allowing applicants to provide clarification and input to DWR regarding their proposals is important to ensuring that proposals are scored in a consistent manner across the state.
- We recommend that DWR consider further streamlining measures for planning regions that are part of a Funding Area comprised of a single eligible region or more than one region with an adopted/executed funding agreement among all regions. Specifically, we request that DWR implement a simplified proposal review per PRC §75026 before releasing the funds directly to the region(s). This would allow the region(s) in eligible Funding Area(s) to directly solicit, select, award, and contract those projects that help to meet State goals.

Again, we would like to thank DWR for implementing a streamlined grant application approach for the 2014 Drought Solicitation, and encourage DWR to continue to implement this approach for future rounds of IRWM funding. We would like to request an appointment with DWR to discuss our application and our analysis of our scoring so that we can understand the rationale for the project-level scoring and use that knowledge to better align any future applications with DWR’s needs.

As DWR considers public comments on the 2014 Drought Grant Solicitation, we request that DWR does not move money between Funding Areas. Rather, if DWR decides to increase grant awards or fund additional regions that were not originally recommended for funding, this additional grant funding should be allocated from the 2015 Proposition 84 grant funds (not the \$200 million allocated for the 2014 Drought Solicitation). This would be appropriate given that the 2015 grant funding has already been appropriated and is therefore accessible. Further, because DWR must ultimately distribute Proposition 84 funding per the allocation schedule determined in the Proposition 84 Bond, grant funding must be allocated to regions from the grant funding allowances for their respective Funding Areas.

We appreciate the open process taken to funding IRWM implementation activities and are looking forward to continuing to work with DWR in the future to implement our IRWM Program. We appreciate the positive award recommendation and are excited to begin work on the suite of implementation projects.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Stadler", with a long horizontal flourish extending to the right.

Mark Stadler
San Diego IRWM Program Manager
San Diego County Water Authority
*Cc: Regional Water Management Group
Regional Advisory Committee*